

School Business Alert

September 9, 2008

2008 CAR is available for Official Filing and is Due October 9

Districts and AEAs may now upload their official CAR-COA and certify. The application is called CAR-2008 Upload and Reports. The CAR is due no later than October 9, 2008, and the CAR-SES is due no later than October 23, 2008. If you have any questions regarding the CAR forms or the upload edits, please email Deb Schroeder at Deb.Schroeder@iowa.gov. If you have questions regarding the CAR-SES please contact Steve Crew at Steve.Crew@iowa.gov.

The CAR-2008 COA Test Records application will continue to be available for a short time before it is converted to the 2009 test application.

Opportunity for Continuing Professional Education

The Iowa Department of Education will again host the annual Governmental GAAP Update offered by GFOA via satellite. The 13th Annual Governmental GAAP Update will be held on Thursday, November 6, 2008, in the ICN room in the Grimes State Office Building, noon to 4 p.m. Register at the GFOA website: www.gfoa.org

Disaster Fund

Districts and AEAs have requested a fund that they can use to accumulate costs related to the 2008 disaster which would be appropriate for both costs that are capital and costs that are operating. Districts and AEAs may use a special revenue fund, Fund 28, for that purpose. This is an option available for those dealing with disaster costs, but is not mandatory. If you intend to use

Fund 28 for 2007-2008 expenditures, you may encounter some edits related to the old School house Levy in Fund 28 with your CAR chart of account upload. Please let us know if that becomes a problem for your district. We will ask our programmer to remove those edits as quickly as possible. We will continue to communicate with you as we receive more information regarding federal and other expectations for accounting documentation.

Allocations Updated and Final on Web

The allocations on the website at <http://www.iowa.gov/educate/content/blogcategory/46/910/> for Educator Quality basic, Educator Quality professional development, Educational Excellence Phase I and II, and Early Intervention are considered final. Educator Quality has been adjusted once more for a reporting entity that had not reported a substantial percentage of its teachers for October 2007. We believe this is the final adjustment necessary.

Federal Financial Accounting Handbook

Iowa was one of five states with staff invited to review and submit comments and suggestions to a draft of the National Center for Education Statistics (NCES) Federal Handbook, Financial Accounting for Local and State School Systems: 2008 Edition (Handbook). Su McCurdy and Janice Evans thoroughly reviewed the draft handbook, taking into consideration the needs of Iowa districts and AEAs, and submitted comments and suggestions to improve the handbook.

This handbook is one in a series published by NCES. It continues a half-century's tradition of sharing the best practices in data collection and reporting with the schools, school districts, and state agencies that are NCES partners in providing

good information to manage, assess, and guide elementary and secondary education. Since the handbook doesn't include every possible data element required by Iowa law, Iowa uses this handbook as a basis to publish the Uniform Financial Accounting Manual for Iowa LEAs and AEAs (UFA Manual) that provides accounting requirements for Iowa districts and AEAs.

The federal handbook is scheduled for release at the end of 2008. Most of the changes were updates due to recent GASB statements, but virtually no coding or theory changes were proposed.

Whole Grade Sharing Supplementary Weighting

If your district plans to request supplementary weighting for whole grade sharing on the October 2008 certified enrollment, and your district and your partner district have not submitted board resolutions to study reorganization last year or this year, please send your resolutions to Su McCurdy on or before October 15, 2008.

Frequent Questions on Salary Distributions

Question: Are districts required to pay Educator Quality basic compensation evenly throughout the school year?

Answer: Yes. House File 2679 included an amendment to Iowa Code Supplement 284.7(5) which added a requirement that "A school district or area education agency receiving funds pursuant to section 284.13, subsection 1, paragraph "h" or "i", (Educator Quality Basic Allocation to LEAs and AEAs) shall determine the amount to be paid to teachers in accordance with this subsection and the amount determined to be paid to an individual teacher shall be divided evenly and paid in each pay period of the fiscal year beginning with the October payroll."

Because districts expend funds on a GAAP basis, on June 30th, the district may have another one to three months of salary, including

the basic allocation, to accrue. That could mean more than 9 months for the actual payments related to contracts of that fiscal year.

Question: Does the requirement to pay Educator Quality basic compensation monthly also apply to Educational Excellence, Phase I and II?

Answer: No. The language in House File 2679 did not reference Iowa Code chapter 294A, which is the Educational Excellence chapter.

Question: Are districts required to distribute all of the Educator Quality basic compensation in the fiscal year to which the appropriation applies?

Answer: In a perfect world, the Educator Quality basic allocation would be fully distributed within the year (on a GAAP basis) for which it was appropriated by the state. But in practice, it might not turn out that way. A district may have allocated funding anticipating a new teacher to be hired at semester, but the teacher is not hired. Or a teacher may leave during the school year, and a beginning teacher is hired or no replacement teacher is hired.

So a district would allocate the Educator Quality basic allocation with the intent of distributing it all; however, if a minimal amount is remaining at the end of the year, it would be carried forward to be included in the distribution for the following school year. It would not be cost effective for the district to re-allocate those small amounts.

CFDA Number Change

CFDA number 10.550 for the USDA Food Distribution Program was deleted from the Catalog of Federal Domestic Assistance. USDA now includes commodities with the nutrition program the commodities relate to, so for the School Nutrition Program, this is CFDA 10.555. Sharon Bates, USDA/FNS/MPRO suggested using CFDA 10.550 for FY08 reporting and 10.555 for FY09 reporting. Districts will continue to use source and project 4951 to account for the commodities. This information has been shared with your auditors.

